

Pasta Maker Settles Advertising Lawsuit

Dave Kolpack, AP

(AP) — A company accused of falsely advertising the health benefits of its nationally distributed Dreamfields Pasta line has agreed to settle a class-action lawsuit and pay \$5 million to consumers who bought the products in the last decade. The complaint, filed last summer against Carrington, North Dakota-based Dakota Growers Pasta and its parent company at the time, challenged claims that the product was a low-carbohydrate alternative to traditional pasta. Dreamfields is marketed under the slogan "Healthy Carb Living."

Under the agreement, consumers will be refunded \$1.99 for each box of pasta bought since February 2004. It limits the payments to 15 boxes of pasta bought at any store, but all boxes bought online will be reimbursed. The deal also calls for new labeling. A U.S. District judge who presided over the mediation called the settlement "extraordinary." On Friday, U.S. District Judge Joel Pisano in New Jersey signed a preliminary approval order for the settlement. A September 24 hearing has been set to finalize the deal.

There were two separate federal complaints in the case. One suit was filed in New Jersey on July 23, 2013, and brought by men from New Jersey, New York, California and Michigan; the other action was filed in Minnesota by a man from Texas on July 19, 2013. The plaintiffs said they would not have bought the more expensive Dreamfields pasta had they known about the false claims on carbohydrate intake and low glycemic index, a system that ranks foods on a scale from 1 to 100 based on their effect on blood-sugar levels and is often monitored by people with diabetes.

Dreamfields had touted its patent-pending formula and unique manufacturing process that created what it called a matrix within the pasta that kept 31 grams of carbs per serving from being digested. Each box stated there were only five grams of digestible carbs per serving and it had a 65 percent lower glycemic index than regular pasta. But a study at the University of Minnesota showed people who ate Dreamfields pasta did not have a smaller blood-glucose increase than those who ate regular pasta, the plaintiffs said. In response, the defendants said the study was not published in a peer-reviewed journal and was "flawed methodologically."

Earlier this month, Kellogg agreed to settle a class-action lawsuit for \$5 million and the removal of "All Natural" and "Nothing Artificial" labels on certain Kashi products, which plaintiffs in the suit had said was misleading because the products contained a variety of synthetic and artificial ingredients. The Dakota Growers' website says the company makes 150 pasta shapes and formulas for retail private label, food service and ingredient customers. It began production in 1994 and was founded as a farmers' cooperative, though later changed its ownership structure. The company was sold in 2010 to Viterra, Inc., a Canadian grain and food processor, which was recently bought by Post Holdings, Inc.

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